GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:345
ANSWERED ON:19.11.2007
SUPPORT PRICE FOR CROPS
Ahir Shri Hansraj Gangaram

Will the Minister of AGRICULTURE be pleased to state:

(a) whether the Vidharbha Farmer Organisations have made any representation to the Government regarding re-fixing the minimum support price of the cotton on the basis of cost of production;

(b) if so, the reaction of the Government thereto; and

(c) the steps taken by the Government thereon?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI KANTI LAL BHURIA)

(a): A group of Members of Parliament (MPs) from Vidharbha region of Maharastra met Hon`ble Prime Minister and submitted a memorandum with a request to raise the Minimum support Price (MSP) of cotton to Rs. 2700/- per quintal.

(b) & (c): The request of the MPs were reviewed with regard to the approach for fixing the MSP for cotton and the Prime Minister`s Office was appraised of the position. The salient features of the same are as follows:

The Ministry of Agriculture in the Government of India fixes the MSP for two varieties of cotton (viz. medium staple length (F-414 /H-777/J-34) and long staple length (H- 4/H-6) of Fair Average Quality (FAQ) . Accordingly the MSP for the respective varieties of cotton for 2006-07 have been Rs. 1770/- and Rs.1990/- per quintal. This is done on the basis of recommendation of prices by the Commission for Agricultural Costs and Prices (CACP). For 2007-08 the MSP of the above two varieties were fixed at Rs. 1800/- and Rs. 2030/- per quintal respectively. The CACP recommends MSP for cotton mainly in view of the cost of production of the crop.

Based on the MSP for these two basic verities and taking into the quality differentials, normal price differential and other relevant factors, the Ministry of Textiles fixes the Support Prices of other verities of raw cotton of Fair Average Quality.